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CENTRAL INTELLIGENCE AGENCY  
Office of Current Intelligence  
17 October 1965

INTELLIGENCE MEMORANDUM

The Indonesian Situation  
(Report #32 -- As of 4:00 P.M. EDT)

1. At the 16 October installation of General Suharto as army commander, President Sukarno stated that he needed "an atmosphere not set aflame from left and right" in order to "find a political solution." Sukarno termed the 30 September "incident" as merely "a ripple in the vast ocean of the Indonesian revolution."

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army believes that through continual agitation against the PKI, Sukarno will eventually accede to the army's wishes.

4. Various reports indicate that Sukarno, in an attempt to placate the army, may ban the PKI and replace it with a new "national" Communist party.

5. There is as yet no confirmation of the report that PKI chief Aidit was captured by the army on 14 October, although rumors to that effect are now circulating in Djakarta.

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